Product Supply and Financials

CMD22
CAPITAL MARKETS DAY
3 MARCH

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Forward-looking statements

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- Statements of targets, plans, objectives or goals for future operations, including those related to Novo Nordisk's products, product research, product development, product introductions and product approvals as well as cooperation in relation thereto,
- Statements containing projections of or targets for revenues, costs, income (or loss), earnings per share, capital expenditures, dividends, capital structure, net financials and other financial measures,
- Statements regarding future economic performance, future actions and outcome of contingencies such as legal proceedings, and
- Statements regarding the assumptions underlying or relating to such statements.

These statements are based on current plans, estimates and projections. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific. Novo Nordisk cautions that a number of important factors, including those described in this presentation, could cause actual results to differ materially from those contemplated in any forward-looking statements.

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For an overview of some, but not all, of the risks that could adversely affect Novo Nordisk's results or the accuracy of forward-looking statements in this Annual Report 2021, reference is made to the overview of risk factors in 'Risk management' of this Annual Report 2021.

Unless required by law, Novo Nordisk is under no duty and undertakes no obligation to update or revise any forward-looking statement after the distribution of this Annual Report 2021, whether as a result of new information, future events, or otherwise.

Important drug information

Victoza® and Ozempic® are approved for the management of type 2 diabetes only
Saxenda® and Wegovy® are approved in the USA and the EU for the treatment of obesity only
Strategic aspirations 2025

**Purpose and sustainability (ESG)**
- Progress towards zero environmental impact
- Being respected for adding value to society
- Being recognised as a sustainable employer

**Innovation and therapeutic focus**
- Further raise the innovation-bar for diabetes treatment
- Develop a leading portfolio of superior treatment solutions for obesity
- Strengthen and progress the Rare disease pipeline
- Establish presence in Other serious chronic diseases focusing on CVD, NASH and CKD

**Commercial execution**
- Strengthen Diabetes leadership - aim at global value market share of more than 1/3
- More than 25 billion DKK in Obesity sales by 2025
- Secure a sustained growth outlook for Rare disease

**Financials**
- Deliver solid sales and operating profit growth
  - Deliver 6-10% sales growth in IO
  - Transform 70% of sales in the US
- Drive operational efficiencies across the value chain to enable investments in future growth assets
- Deliver free cash flow to enable attractive capital allocation to shareholders

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1 From 2015 to 2022, 70% of sales to come from products launched from 2015. IO: International Operations; CVD: Cardiovascular disease; NASH: Non-alcoholic steatohepatitis; CKD: Chronic kidney disease.

Note: The strategic aspirations are not a projection of Novo Nordisk's financial outlook or expected growth.
Novo Nordisk has a global manufacturing setup

API: Active Pharmaceutical Ingredient

Product Supply and Value Chain

- Research and Development
- Manufacturing Development
- API Production
- Filling / Tableting
- Assembly and Packaging
- Distribution (Cold Chain)
- Patients
Production volumes have increased significantly in recent years

**Active pharmaceutical ingredient (API)**

Development in volume of semaglutide API (kg)

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>~4x</td>
</tr>
</tbody>
</table>

Compared to 2019

**Ozempic® devices**

Development in volume of devices (millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>~3x</td>
</tr>
</tbody>
</table>

Compared to 2019
Product Supply is investing for growth and a diversified pipeline

CAPEX investments

DKK billion

<table>
<thead>
<tr>
<th>Year</th>
<th>CAPEX</th>
<th>Expected CAPEX</th>
<th>CAPEX to sales ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022E</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2025E</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Ensure readiness to meet future demands

Marketed products

- Insulin Idec
- Icodec
- Icosema
- Oral semaglutide (25 and 50mg)
- CVOTs (e.g. SOUL, SELECT)
- Oral semaglutide (50mg)
- Cagrisema
- Mim8
- Concizumab
- Sogroya®
- Ziltivekimab
- Semaglutide NASH
- Semaglutide in AD

Late-stage clinical development

- Diabetes care
- Obesity care
- Rare disease
- OSCD

Note: List of clinical development activities is not exhaustive

CAPEX: Capital expenditures; CMD: Capital Markets Day; CVOT: Cardiovascular outcome trial; NASH: Non-alcoholic steatohepatitis; AD: Alzheimer’s disease
Manufacturing strategy principles

1. Ensure sufficient capacity
   - Continue expanding internal capacity
   - Build device flexibility
   - Continue external sourcing
   - Use multiple facilities and safety stock

2. Maintain highest quality
   - High compliance level
   - Robust Quality Management System
   - Comprehensive audit programme

3. Drive constant improvements
   - Production development close to R&D
   - Drive unit cost reductions
Wegovy® supply chain now and in the future

- **API production**
  - Already in operation (DK)

- **Single-dose device**
  - Reallocation of internal production in Denmark to prioritise Wegovy® in H1 2022
  - Current large-scale CMO is working to restart production and an additional site is planned to be added in 2023
  - Onboarding of new CMO ongoing. Expected to go live in 2023

- **Option to launch in the FlexTouch® device**
  - Utilisation of existing global production setup

- **Filling**
  - Single-dose device
    - Already in operation (US)
    - Additional line in Denmark expected to go live in 2023
    - Onboarding of CMO ongoing

- **Assembly and pack**
  - Single-dose device
    - Option to launch in the FlexTouch® device
    - Utilisation of existing global production setup
Product Supply is driving operational efficiencies in line with strategic aspiration

A key focus remains to continuously lower unit costs

Key levers to remain competitive

- **API**
  - Economies of scale, technology upgrades and simpler processes

- **Formulation**
  - New formulation with improved efficiency and lower excipient cost
  - Large-scale

- **Tabletting**
  - Simpler processes and continuous manufacturing

**Legend:**
- Human insulin
- GLP-1 injectables
- Modern insulins
- GLP-1 orals
- Next-generation insulins

**Diagram Notes:**
- Index: 100
- 2016 to 2025E
- API: Active pharmaceutical ingredient
Resource allocation in Novo Nordisk is guided by investing in future growth while delivering attractive shareholder returns.

Corporate strategy guides resource allocation

Diabetes care
- Strengthen leadership by offering innovative medicines and driving patient outcomes

Obesity care
- Strengthen treatment options through market development and by offering innovative medicines and driving patient outcomes

Rare disease
- Secure a leading position by leveraging full portfolio and expanding into adjacent areas

Other serious chronic diseases
- Establish presence by building competitive pipeline and scientific leadership

Focus on driving sustained sales growth
- Commercial investments in growth markets and products
- R&D investments in future growth assets

Expected primary sales growth drivers towards 2030

Waves of growth
- GLP-1 Diabetes
- Obesity care
- Rare disease
- OSCD Research technology platforms

ILLUSTRATIVE

R&D: Research and Development; OSCD: Other serious chronic diseases; RNA: Ribonucleic acid
Attractive performance

Sales growth (CER)

- Peer group average\(^1\)
  - Average 2019-2021: 6%

- Novo Nordisk\(^\circ\)
  - Average 2019-2021: 9%
  - Increase: +3%-points

Operating margin

- Peer group average\(^1\)
  - Average 2019-2021: 35%

- Novo Nordisk\(^\circ\)
  - Average 2019-2021: 42%
  - Increase: +7%-points

Cash returned to shareholders

- Peer group average\(^1\)
  - Average 2019-2021: 71%

- Novo Nordisk\(^\circ\)
  - Average 2019-2021: 88%
  - Increase: +17%-points

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\(^1\) Weighted average based on revenue of peer group: Bristol Myers Squibb, Eli Lilly, GlaxoSmithKline, Merck & Co., Novartis, Roche, Sanofi, Johnson & Johnson, Amgen, Biogen, AbbVie, Pfizer, AstraZeneca and Gilead have been excluded due COVID-19 impacts

CER: Constant Exchange Rates

Sources: Earnings releases, Evaluate Pharma
Two decades of consistent cash distribution to shareholders

~400 billion DKK returned to shareholders since 2001

Source: Novo Nordisk Annual Reports 2001-2021
Net profit has been converted to cash and returned to shareholders

Cash conversion and allocation (2021)

- Net profit: 48 billion (100%)
- Free cash flow: 29 billion
- Cash return: 22 billion (86%)
- Dividends: 19 billion (100%)

Strategic capital allocation priorities

- Business development investments to enhance R&D pipeline
- CAPEX investments to meet demand including R&D pipeline

Deliver competitive capital allocation to shareholders
- Continued share buybacks and dividends

Financial flexibility within current credit ratings
- Net debt to EBITDA ratio around zero

Mainly debt finance major business development projects
- 2021 bond issuance at an all-inclusive interest rate of ~0%

Note: Cash used for the acquisition of Dicerna Pharmaceuticals was 18,282 million DKK per note 5.3 of the 2021 Novo Nordisk Annual Report.

R&D: Research and Development; CAPEX: Capital expenditure; EBITDA: Earnings before interest, taxes, depreciation and amortisation.
Commercial investments (S&D) mainly allocated towards GLP-1 and obesity care to drive sales growth towards 2025

<table>
<thead>
<tr>
<th>Strategic resource allocation towards 2025</th>
<th>Investment levels towards 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Diabetes care</strong></td>
<td></td>
</tr>
<tr>
<td>• Sustained investment levels towards 2025</td>
<td>Sustained</td>
</tr>
<tr>
<td>• Targeted investments such as insulin icodec and Ryzodeg® in China</td>
<td></td>
</tr>
<tr>
<td><strong>GLP-1</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Obesity care</strong></td>
<td></td>
</tr>
<tr>
<td>Market development</td>
<td>Increased</td>
</tr>
<tr>
<td><strong>Rare disease</strong></td>
<td></td>
</tr>
<tr>
<td>Launch investments for Sogroya®, conzicumab and Mim8</td>
<td>Sustained</td>
</tr>
<tr>
<td><strong>Other serious chronic diseases</strong></td>
<td></td>
</tr>
<tr>
<td>Pre-commercial activities for future growth drivers</td>
<td>Increased</td>
</tr>
</tbody>
</table>
Step-up in R&D investments to expand and diversify pipeline

R&D ratio expected to gradually increase

Increase driven by:
- Expected increase in BD activities and execution of late-stage pipeline
- ~3x increase in number of annual first human doses
- Increase in data and digitalisation investments across R&D

Efficiencies:
- Reduction in cost to reach first human dose via automation and digitalisation
- Sustain competitive average cost per launch

R&D investments towards 2025

<table>
<thead>
<tr>
<th>Research</th>
<th>Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target discovery, biology &amp; early development</td>
<td>Increase</td>
</tr>
<tr>
<td>Technology &amp; automation</td>
<td>Increase</td>
</tr>
<tr>
<td>Diabetes care</td>
<td>Increase</td>
</tr>
<tr>
<td>Obesity care</td>
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<td>Increase</td>
</tr>
</tbody>
</table>

BD: Business Development
Efficiencies are driven across the value chain

Global Business Services in India

- Spans across entire value chain
- Continued focus on end-to-end process optimisation
- Increased automation and digitalisation

Competitive sourcing

- ~90% of indirect spend through Coupa\(^1\)
- ~90% of spend competitive sourced
- Supplier consolidation, tendering and demand management
- Savings split between cost avoidance and cost savings

Administration costs

- Two decades of consistent decline in administration cost ratio
- Back office efficiencies realised through consolidation and automation

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\(^1\) Coupa is a global business spend management platform; FTE: Full-time equivalent
Summary of expected developments towards 2025

- **Gross margin**: Remain broadly stable
- **S&D cost ratio**: Gradually decline enabled by attractive sales growth
- **R&D cost ratio**: Gradually increase to expand and diversify pipeline
- **Administration cost ratio**: Decline driven by efficiency gains
- **Operating margin**: Remain broadly stable

Note: The outlined expected developments are aspirations and not long-term financial targets.
Closing remarks

Growth focused resource allocation

Increased CAPEX investment for future growth and R&D pipeline

Consistent financial discipline enables an attractive capital allocation to shareholders

Operating margin broadly stable towards 2025